



Small Companies Fund

Monthly Report

February 2016

Portfolio Performance and Strategy

The Eley Griffiths Group Small Companies Fund kept pace with the market in February, delivering a return of 0.82%. Whilst seemingly innocuous on paper, the result was hard-fought given a sharp swing in market sentiment intra-month, as well as contending with the chaos of reporting season. Upon reflection, it was a relatively benign if not volatile earnings season, with upgrades to consensus at pace with downgrades. The Fund was well served by the strong performance in higher conviction stocks like IRESS and Trade Me, as well as avoiding the savage unwind in some well-held momentum names that failed to upgrade earnings guidance. The real headline in February however, was the stellar performance of the Small Resources Index (19.4%), led by Gold, as the USD lost its steam and the spectre of negative rates came into force.

Unit Price as at 29 February 2016

Application	\$2.0291
Redemption	\$2.0180
Fund Size	\$391 million
# of stocks in portfolio	53

It has paid handsomely to ignore the bear market rallies in resource names in recent years; but doing so in February cost you dearly. Whilst only a mere 15% of the benchmark now-a-days, gold equities account for approximately half of that weight, with the XGD (ASX gold index) up 32% in February. Our exposure to Australian gold producers Saracen Mineral Holdings, Regis Resources, Evolution Mining and Independence Group contributed strongly to overall performance. The volatility we've encountered year-to-date sees us enter March with cash to deploy as we analyse several new investment candidates that have emerged from reporting season.

Performance Statistics to 29 February 2016

	1 Month %	3 Month %	1 Year %	5 Year % p.a.	10 Year % p.a.
EGG Small Companies Fund	0.82%	-0.24%	6.77%	+5.45%	+6.70%
S&P/ASX Small Ordinaries Accumulation Index	0.95%	-0.46%	-3.56%	-3.17%	+0.41%
Outperformance	-0.12%	+0.22%	+10.34%	+8.62%	+6.29%

* Fund returns are calculated post fees.

Attribution*

Our best performing stocks for the month;	Our biggest detractors for the month;
1. Ebos Group	1. Cover-More Group
2. IRESS Limited	2. Mantra Group
3. Saracen Mineral Holdings	3. Vitaco Holdings

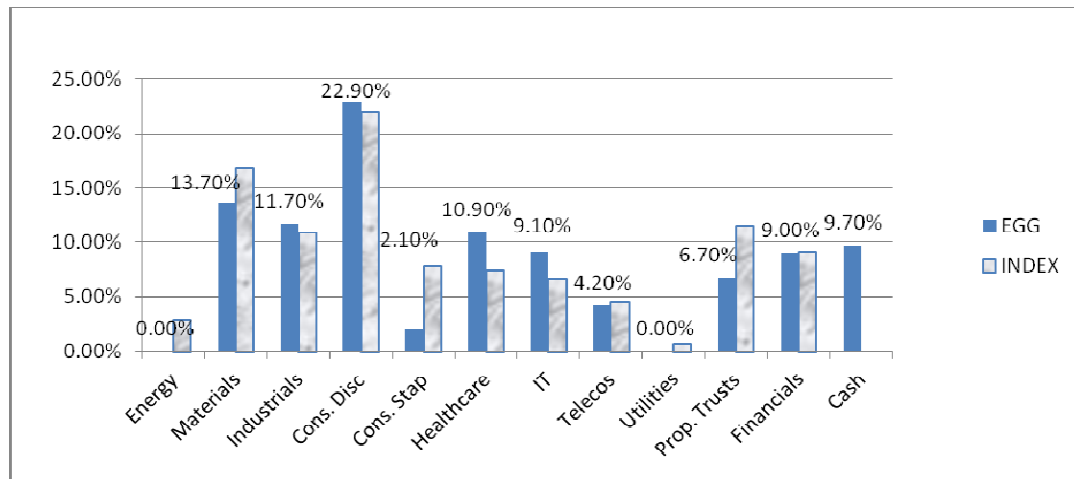
* In alphabetical order, as at 29 February

Top 10 Holdings*

Name	Industry
1. APN Outdoor Group Limited	Consumer Discretionary
2. Astro Japan Property Group	REITs
3. BWP Trust Limited	REITs
4. Fletcher Building Limited	Materials
5. IRESS Limited	Information Technology
6. Macquarie Atlas Roads Group	Industrials
7. Mantra Group Limited	Consumer Discretionary
8. Saracen Minerals Holdings	Materials
9. Steadfast Group Limited	Financials
10. Trade Me Group Limited	Consumer Discretionary

* In alphabetical order, as at 29 February

Eley Griffiths Group Small Companies Fund by Sector



Eley Griffiths Group Ratings

Morningstar March 2015 Zenith February 2016	Silver 2 nd Highest Rating Recommended 2 nd Highest Rating	Lonsec February 2015	Recommended 2 nd Highest Rating http://eleygriffiths.com.au/news-reports/
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